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Issue Offer

Total issue size of INR 43,214.4mn including Fresh Issue of shares aggregating upto INR 36,000mn and OFS aggregating upto INR 7,214.4mn.

Issue Summary

Price Band (INR)	1,427-1,503
Face Value (INR)	10
Implied Market Cap (INR Bn)	431.78
Market Lot	9
Issue Opens on	October 21, 2024
Issue Close on	October 23, 2024
No. of share pre-issue	263,331,104
No. of share post issue	287,283,199
Listing	NSE , BSE

Issue Break-up (%)

QIB Portion	≤50
NII Portion	≥15
Retail Portion	≥35

Book Running Lead Managers

Axis Capital Ltd
IIFL Securities Ltd
Jefferies India Pvt Ltd
Nomura Financial Advisory and Securities (India) Pvt Ltd
SBI Capital Markets Ltd
Intensive Fiscal Services Pvt Ltd
ITI Capital Ltd

Registrar

Link Intime India Pvt Ltd

Shareholding Pattern

	Pre-Issue	Post-Issue
Promoters	71.8%	64.14%
Public & Others	28.2%	35.86%

Objects of the issue

- Part finance the cost of establishing the 6GW of Ingot Wafer, Solar Cell and Solar PV Module manufacturing facility in Odisha, India.
- General Corporate expenses

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Waaree Energies Ltd. is the largest manufacturer of solar PV modules in India, with an aggregate installed capacity of 12 GW as of June'24, and ranked second in operating income among domestic manufacturers in FY24. Established in 2007, the company has expanded significantly, including a recent addition of a 1.3 GW facility in Noida through its subsidiary, Indosolar Limited. Waaree's product range encompasses multicrystalline, monocrystalline, and advanced TopCon solar modules, with manufacturing facilities across five locations in India, certified for high quality standards. The company operates through 5 manufacturing facilities spread over 143.01 acres. The company serves both domestic and international markets, with a growing export focus that increased export sales from INR 6,578.22 mn in FY22 to INR 65,690.96 mn in FY24. The company's order book of solar PV modules was 16.6 GW as of June'24.

Investment Rationale

Ready to capitalize on industry tailwinds and growth prospects of solar energy in India: Increasing global demand for solar capacity and export sales will benefit the company from international policies like tariffs and anti-dumping duties on Chinese solar products. The China Plus One strategy encourages companies to diversify operations outside China, making countries like India attractive for solar manufacturing due to lower labor costs and favorable policies. Waaree is expanding its capacity with a INR 19,232.40 mn investment under the PLI Scheme to build a 6 GW integrated facility in Odisha by FY27, which will qualify for various government incentives. Additionally, a new 1.6 GW facility is being established in Houston, Texas, with plans to expand to 5 GW by FY27.

Strong order book driven by wide customer base of Indian and International customers: The company boasts a substantial order book of 16.66 GW in solar PV modules as of June'24, which includes domestic, export, and franchisee orders, with 3.75 GW linked to Waaree Solar Americas Inc. in the US. The company has developed a diverse customer base, serving 1,067 clients in India by June'24, up from 716 in March'22. The top 10 customers accounted for 56.77% of revenue, with the largest customer contributing 8.91% in FY24. The company has shown impressive growth in topline growing at a CAGR of 99.83% from INR 28,542.65 mn in FY22 to INR 113,976.09 mn in FY24.

Focus on Technology Upgrades to Manufacture High-Quality Modules: The company is enhancing its manufacturing capabilities by shifting from multicrystalline modules to high-efficiency Mono PERC and TopCon technologies. The Chikhli facility utilizes advanced methods for large-sized PV silicon wafers and produces bifacial and semi-flexible solar panels. With a strong global customer base and significant export sales—especially in the U.S.—which recently accounted for 100% of export revenue. The company aims to diversify its markets while expanding its retail franchise network, currently at 369 across India, to tap into the growing rooftop solar demand.

Valuation and View: Waaree Energies Ltd. has the potential to capitalize on the growing demand for solar energy in India and globally. As the largest solar PV module manufacturer in the country, the company has successfully built a strong order book and expanded its manufacturing capabilities. Recent investments in new facilities and advanced technologies reflects its commitment to innovation and quality. The shift towards higher-efficiency products reflects the company's responsiveness to market trends and customer needs, particularly in export markets like the U.S. At the upper band price of INR 1,503, the issue is valued at 26.8x P/E based on annualized Q1FY25 earnings. We recommend "Subscribe for long term" to the issue.

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Stock Rating Scale	Absolute Return
BUY	
ACCUMULATE	
HOLD	
NEUTRAL	
REDUCE	
SELL	

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